



state senator  
**Sue Landske**  
2005 LEGISLATIVE UPDATE  
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The State Budget:  
Holding the Line on \$pending

LEGISLATURE PASSES FIRST BALANCED BUDGET IN 10 YEARS

The Indiana General Assembly has passed a balanced two-year state budget that holds the line on spending, eliminates the structural deficit, adds no new state taxes, provides \$4 billion in property tax replacement credits and adds \$112.4 million to K-12 education.

Senate Republicans voted to control state spending while boosting funding for K-12 education, scholarships for higher education and child protection. Medicaid funding is held to a 5 percent increase. This is in contrast to the 10 percent growth experienced during the current bien-nium.

The passage of this budget bill is quite an accomplishment. To overcome a \$600 million structural deficit and end up with reserves – all without new state taxes – is no small feat.

Education funding remained a top priority by the Senate Republicans. The school funding formula is driven by an innovative approach that funds children as individuals instead of simply funding corporations. Special factors are taken into consideration, such as poverty, single parent families and free lunches, when determining the level of funding that is to follow a child.

The General Assembly continually has increased education spending in past years, even when other states were cutting education. In 2003, Indiana had the highest increase of K-12 funding in the country –

during a national recession. The new budget gives more money and adds funding options to Indiana public schools than has ever been given in the history of the state.

Additionally, the state is distributing to local governments \$4 billion in property tax replacement credits (PTRC), in an effort to provide relief to homeowners and other property taxpayers. Local governments and schools keep 99.9 percent of all property taxes, which are levied by local governments and schools. Half of all revenue raised by the state sales tax is used for PTRC, as is 14 percent of the income tax and nearly a half billion dollars every year from the wagering tax.

Earlier in the session, Senate Republicans voted to pass a measure to reform the property tax system by giving local governments an option to shift the property tax burden to an income tax in order to be more fair and equitable to Hoosiers. The initiative was successful in the Senate but failed to receive consideration in the House of Representatives when the bill met substantial opposition from local government officials.

The new budget is a prescription for positive change in Indiana. It is the first balanced budget crafted by legislators in 10 years. I strongly support efforts to keep spending down while providing adequate funding for essential services.

New Laws Help  
Protect Children

All too often, I open my newspaper and read a story of another child being victimized. These situations have become almost commonplace in the last few years. Children are our most precious commodity, and should receive special attention from the state. The General Assembly passed several bills this session aimed at protecting Hoosier children.



In 2003, the state's sex and violent offender registry was modernized, including the requirement of a photograph of the offender that could be viewed by the public. Currently, thousands of people who have committed sex crimes or crimes against children are registered with the state. We passed two bills that will enhance the effectiveness of the registry-by adding the possession of child pornography to the 14 existing offenses and by allowing neighborhood associations to receive semi-annual updates of the list.

This session, we also passed Senate Enrolled Act 529, which reorganizes the Office of the Family and Social Services Administration. This department has been plagued by poor management and other problems. The bill creates the Dept. of Child Services to handle child support, child protection, adoption and foster services. Some Hoosier children are at risk for abuse and neglect, and these children deserve the proper attention from the state.

In the state budget, we provided additional funding for child protection. The budget funds the new Dept. of Child Services and provides money for Independent Living assistance for persons moving off of foster care. It funds an additional 400 caseworkers for child protection and establishes caseload standards for child protection workers.

The General Assembly will continue to be vigilant in seeking new ways to protect our children.

Rx FOR INDIANA  
IMPROVING ACCESS TO PRESCRIPTION DRUGS

Governor Mitch Daniels has created “Rx for Indiana,” a pharmaceutical patient assistance program which allows lower-income Hoosiers to receive the prescription drugs they need for free or at significantly reduced prices. Since the beginning of the program in early March, more than 37,000 Indiana residents have qualified for the program.

Nearly 60 health care, business, community and consumer groups have joined the governor to help improve Indiana citizens’ access to prescription medicine. The Rx for Indiana program was developed to build upon the success of other national programs, as it links patients with information about pharmaceutical assistance programs provided by companies and the state and federal government.

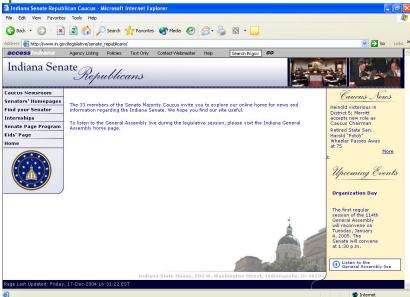
Rx for Indiana provides residents access to information about more than 275 public and private prescription assistance programs that provide more than 1,800 medications. In order to take part in the program, Indiana residents must answer a few short questions to verify eligibility. The resident will then be informed of the pharmaceutical patient assistance programs for which he or she qualifies.

Rx for Indiana can save individuals thousands of dollars per year. Before the establishment of Rx for Indiana, only about one in 10 Hoosiers were taking advantage of the reduced cost medicines available. We hope that with the creation of this program, many more Hoosiers will be able to access the medications they need.

To apply for the Rx for Indiana program, visit [www.rxforindiana.com](http://www.rxforindiana.com) or call toll-free 1-877-793-0765. The Web site is available in Spanish and English, and Spanish-speaking telephone operators are available.

SENATOR LANDSKE HAD A 100% VOTING ATTENDANCE RECORD IN 2005.

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*Photo: Sen. Landske listens to testimony on a bill presented to the Elections Subcommittee, which she is Ranking Member.*



## Fighting Meth

Methamphetamine production has become widespread in our state, and this year the legislature has proven its commitment to curbing this criminal activity.

In 2003, Indiana law enforcement seized 422 meth labs, a figure higher than any other Midwestern state, according to the Drug Enforcement Administration.

It is difficult to catch meth producers. All of the ingredients needed to manufacture meth can be purchased legally and are relatively inexpensive. For example, an investment of \$1,000 in easily purchased ingredients can produce \$20,000 worth of meth.

This year, we passed a bill to regulate the sale and purchase of meth precursors in the hope of reducing production in Indiana. Senate Enrolled Act 444 includes a variety of measures designed to stop the production of meth by placing restrictions on the sale and purchase of drugs containing ephedrine or pseudoephedrine, commonly found in over the counter cold and allergy medicines.

Retailers must store such drugs in a locked display case or behind a counter that requires employee assistance. Pharmacies may place the drugs directly in front of the pharmacy counter in the line of sight of a pharmacy employee and in an area under constant video monitoring.

Customers purchasing these drugs must present identification and record their identifying information in a log book provided and maintained by the retailer.

The bill bars retailers from selling the drugs to individuals under age 18 and allows no more than 3 grams of drugs containing ephedrine or pseudoephedrine in any one transaction. It also prevents customers from purchasing more than 3 grams of such drugs in a single week.

Meth production has become a significant problem in Indiana. We have no choice but to fight back with every available weapon.

## Making dollars & sense of SCHOOL FUNDING

Indiana has had a long history of strong financial support for education, spanning several administrations. In 2003, during a national recession, our state had the highest increase of K-12 funding in the country. Funding for public education is our top priority and by far the largest part of our state budget.

Indiana ranks 17<sup>th</sup> in the nation for per pupil spending and 16<sup>th</sup> in average teacher salaries; 10<sup>th</sup> highest with cost of living adjustments. In the 2003 budget session, we provided a total formula dollar increase of 1.6 percent for 2004 and 1.7 percent for 2005. With Capital Project Fund Transfers included, the total formula increases were 3.3 percent and 2.9 percent. From 1993 to 2003, K-12 spending grew 69.3 percent. Compare that to a growth in K-12 enrollment of only 4.2 percent. During the same period, all-in spending (including federal dollars) increased from \$5.4 billion to \$9.3 billion.

The explosion in school spending was due in part to an antiquated method of funding education. For many years, the Legislature has funded school districts on the basis of a “minimum guarantee.” The guarantee is intended to cover a district’s fixed costs, but the result is that children are treated unequally, and costs are soaring.

Some corporations have lost 30 percent of their enrollment in the last six years but have seen their funding per child increase by as much as 75 percent. Meanwhile, corporations with growing enrollments currently are receiving less than full funding for each new enrollee. The minimum guarantee has shifted our focus from children to corporations and fails to maximize the use of dollars where they are needed — with the children.

In lieu of this old-fashioned method, there should be a standard amount of funding for every child while allocating additional money for children who have multiple needs. If a school corporation grows and adds children, that basic level of funding should be provided for each additional child. Our focus needs to be on the approximately one million children we are funding, rather than on corporations.

The Senate’s school funding plan recognizes that every child deserves a foundation of funding. The formula first determines an amount needed for the “basic” education of each child. Additional funding is disbursed based on other needs and achievements.

Hoosiers express concern about education performance and the “brain drain” problem. In a time when the state must utilize a limited amount of money, it is imperative that we pinpoint every dollar toward the individual child to achieve maximum efficiency. If the citizens of Indiana want to fund public education successfully, we must focus on our greatest investment: the well-educated child.

In recent budget years, the state has increased education funding significantly. We now have a \$600 million structural deficit that must be eliminated. Our state’s financial problems are difficult for many Hoosiers to accept, but we believe they will be temporary. In the meantime, the Senate just proposed a generous overall increase to education funding, in addition to a more equitable formula. As our fiscal condition improves, we can look forward to a continuation of the General Assembly’s commitment to education.



## Legislature Creates Agriculture

Agriculture is one of the largest and most important industries in Indiana. As one of the nation’s leaders in a vast array of agricultural areas, it would probably come as a surprise to most Hoosiers that, prior to this legislative session, our state had no official Department of Agriculture.

House Bill 1008 created the official Indiana Department of Agriculture and consolidates duties that were once scattered across numerous agencies.

The move costs Indiana taxpayers no additional money. In fact, I hope it actually saves money by merging the 10 separate agriculture boards and commissions into one large department.

Indiana is one of the nation’s top agriculture states. We rank first in ducks; second in popcorn, ice cream and tomatoes; fourth in soybeans; fifth in corn and hogs, and the list goes on. This new law will enable us to take full economic advantage of one of our state’s traditional strengths.



## CREATING JOBS — In Northwest Indiana —

This session, the Legislature approved an unprecedented economic development initiative that promises to bring jobs and growth to the Northwest region. The formation of the Northwest Indiana Regional Development Authority (NIRDA) poises the region to become an economic model for the rest of the state in terms of economic development.

This provision creates an entity devoted to developing important projects like expanded regional rail and bus transportation, the creation of shoreline and economic development capital projects, and the enlargement of the Gary airport. The region competes with Chicago on a daily basis and needs the focus of a centralized body to elevate itself as a viable economic competitor, particularly with regard to the expansion of the Gary/Chicago International Airport.

The Chicago O’Hare and Midway airports have reached their capacity limits and will not be able to fulfill the increased demand for air travel in the next century. Illinois Governor Rod Blagojevich continues to pursue the creation of an airport in Peotone, Ill., to fulfill the region’s air traffic needs. Indiana must act quickly to solidify the Gary airport’s position as the third international airport serving the Chicagoland area. The formation of NIRDA helps Gary win the race for time and stave off further action by the state of Illinois.

**indiana must act quickly to solidify the gary airport’s position as the third international airport**

## General Assembly Working to Protect Public Servants

Since 1801, the Indiana National Guard has served our state in countless wars, battles and statewide disasters. In fact, Indiana Guard members have served in every American war since the Civil War. Today, members of the Indiana Guard are serving overseas in Bosnia, Kosovo, Afghanistan, Iraq and several other countries.

Because of the important work of these men and women, members of the Indiana General Assembly have authored a measure to protect the Guard and their families. Senate Enrolled Act 304 extends the tuition exemption to children of National Guard members killed on state active duty. Currently, this benefit applies only to dependents of those mem-



bers killed on federal active duty. This measure helps support those dependents and spouses who endure financial difficulties after losing a loved one in active duty.

The Senate believes the role of National Guard members deserves special recognition due to their increased responsibilities. Prior to Sept. 11, 2001, the National Guard helped states primarily in the aftermath of natural disasters. The group now functions as one of the state’s most important homeland security tools. They devote their time, their energy and their lives to keep Hoosiers safe.

The General Assembly also passed a bill this session that requires the state police department to provide and pay for health coverage for the surviving spouse and dependent children of state police officers killed in the line of duty. From 1933 through 2003, 42 Indiana State Police officers lost their lives in the line of duty. The number of these officers who left behind survivors is unknown.

I believe these initiatives are the right thing to do. These public servants risk too much, train too hard, and work too long to go without these important benefits.



*LEFT: Senator Landske and Senator Earline Rogers of Gary discuss legislation establishing the Northwest Indiana Regional Development Authority. The two senators worked with other area legislators to pass this critical bill.*

A seven-member board governs NIRDA. The board includes a representative from both Lake and Porter counties appointed by the council and commission of both counties; one representative each from the cities of Gary, East Chicago and Hammond; and two representatives appointed by the governor.

Part of the package includes an investment by the state of up to \$20 million through a base allocation of \$5 million and up to \$10 million in 2006 and 2007 from toll road revenues to NIRDA. Additionally, the cities of East Chicago, Gary and Hammond as well as Lake and Porter Counties must each contribute at least \$3.5 million annually to the authority.

Working together with in the best interests of all Hoosiers, local government entities must begin to approach economic development on a holistic level. The success of one area stands to benefit the state as a whole. We hope this important step encourages other parts of the state to adopt a similar mindset concerning economic development.

<b>HEA 1038 and SEA 378</b> — HEA 1038 requires state vehicles to use cleaner, more efficient biodiesel fuel whenever possible. SEA 378 expands tax credits granted to plants who produce this fuel. <b>PASSED.</b> My vote: YES	<b>HEA 1501</b> — This bill establishes the position of inspector general, an employee of the governor, who works to weed out corruption. Years of scandal in previous administrations cost the state at least \$25 million; we may never know the full extent of misspending. <b>PASSED.</b> My vote: YES	<b>SEA 15</b> — This bill requires that absentee voters receive a "voter's bill of rights" that will provide them with the information they need to properly cast their vote. It also establishes penalties for certain election fraud offenses <b>PASSED.</b> My vote: YES
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